

# TAXATION

[illegible]



## SENATE STANDING COMMITTEE REPORT

January 30, 2007

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 233** (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "J. Elliott", written over a horizontal line.

*Senator Jim Elliott, Chair*

And, that such amendments read:

1. Page 3, line 15.

**Strike:** "registered voters"

**Insert:** "taxable value"

- END -

**Committee Vote:**

**Yes 11, No 0**

Fiscal Note Required \_\_\_\_\_

Handwritten initials in black ink, possibly "KF", written over a horizontal line.

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## SENATE STANDING COMMITTEE REPORT

January 30, 2007

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 215** (first reading copy -- white) do pass.

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "J. Elliott", written over a horizontal line.

*Senator Jim Elliott, Chair*

- END -

**Committee Vote:**

**Yes 8, No 3**

Fiscal Note Required \_\_\_\_\_

Handwritten initials "KJ" in black ink, written below the "Fiscal Note Required" line.

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## SENATE STANDING COMMITTEE REPORT

January 30, 2007

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 275** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Jim Elliott, Chair*

**And, that such amendments read:**

1. Title, line 6.

**Strike:** "PRECLUDING" through "GAMBLING;"

2. Title, line 10.

**Following:** "DISCONTINUED;"

**Insert:** "ALLOWING CONTINUED ESTABLISHMENT OF RESORT AREAS FOR IMPOSITION OF THE RESORT TAX;"

3. Page 1, line 20 through line 26.

**Strike:** "the" on line 20 through "Taxable" on line 25

**Insert:** "taxable"

**Strike:** "any gift" on line 25 through "limited to" on line 26

4. Page 1, line 27.

**Strike:** "(i)"

**Insert:** "(1)"

**Renumber:** subsequent subsections

5. Page 1, line 28.

**Following:** "out;"

**Insert:** "and"

6. Page 1, line 29 through page 2, line 21.

**Strike:** ";" on page 1, line 29 through "life" on page 2, line 21

7. Page 3, line 24.

**Following:** "special"

**Committee Vote:**

**Yes 6, No 5**

Fiscal Note Required — 

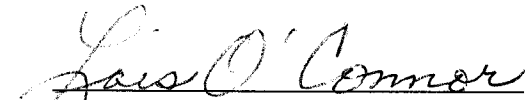
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**COMMITTEE FILE COPY**

**TABLED BILL**

The **SENATE TAXATION COMMITTEE** TABLED SB 259, by motion, on **Tuesday, January 30, 2007.**

  
(For the Committee)

  
(Secretary of the Senate)

\_\_\_\_\_, 1-30  
(Time) (Date)

January 30, 2007

Lois A. O'Connor, Secretary

Phone: 444-4772


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**COMMITTEE FILE COPY**

**TABLED BILL**

The **SENATE TAXATION COMMITTEE** TABLED **SB 217**, by motion, on **Tuesday, January 30, 2007**.

  
(For the Committee)

  
(Secretary of the Senate)

\_\_\_\_\_, 1-30  
(Time) (Date)

January 30, 2007

Lois A. O'Connor, Secretary

Phone: 444-4772

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MONTANA STATE SENATE  
2007 LEGISLATURE

TAXATION

ROLL CALL VOTE

DATE 1-30-07 BILL NO. SB-217 NUMBER 1

MOTION: SB-217 Do Pass

failed 5-6

NAME	AYE	NO
SEN. JERRY BLACK (R)		✓
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)		✓
SEN. DAN HARRINGTON (D)	✓	
SEN. CHRISTINE KAUFMANN (D)	✓	
SEN. SAM KITZENBERG (D)	✓	
SEN. JIM PETERSON (R)		✓
SEN. TRUDI SCHMIDT (D)	✓	
SEN. ROBERT STORY (R)		✓
SEN. JIM ELLIOTT (D) CHAIRMAN	✓	
<i>failed</i>	5	6

MONTANA STATE SENATE  
2007 LEGISLATURE

TAXATION

ROLL CALL VOTE

DATE 1-30-07 BILL NO. SB-275 NUMBER \_\_\_\_\_

MOTION: Do Pass As Amended

NAME	AYE	NO
SEN. JERRY BLACK (R)		✓
SEN. JEFF ESSMANN (R)	✓	
SEN. KELLY GEBHARDT (R)	✓	
SEN. KIM GILLAN (D)	✓	
SEN. DAN HARRINGTON (D)	✓	
SEN. CHRISTINE KAUFMANN (D)	✓	
SEN. SAM KITZENBERG (D)	✓	
SEN. JIM PETERSON (R)		✓
SEN. TRUDI SCHMIDT (D)		✓
SEN. ROBERT STORY (R)		✓
SEN. JIM ELLIOTT (D) CHAIRMAN		✓
	6	5



# SENATE PROXY FORM

According to Senate Rule 30-70 ( 13) ( f ) , a committee member may vote by proxy using a standard form.

## PROXY VOTE

I, the undersigned, hereby authorize Senator Kim Gillan

to vote my proxy on any issue before the Senate Tax

\_\_\_\_\_ Committee

held on Jan 30, 2007.

SB	Vote
281	Yes
233	yes
259	no to table
215	yes

Judi Schmidt  
SENATOR  
STATE OF MONTANA

SB 217 / yes  
SB 275 / NO

## SENATE PROXY FORM

According to Senate Rule 30-70 ( 13) ( 1) , a committee member may vote by proxy using a standard form.

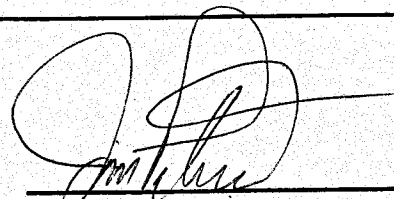
### PROXY VOTE

I, the undersigned, hereby authorize Senator Storvick

to vote my proxy on any issue before the Senate Tan

SB 275<sup>as</sup> amended No Committee

held on Jan 30, 2007.



SENATOR  
STATE OF MONTANA

**PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY**

Tax

GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Local Government Fiscal Impact 2009 Biennium

LC #	SB0275
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Title:	Local Option Sales Tax
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Primary Sponsor:	Sen. Kitzenberg
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Status:	As Introduced
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Check the box if "Yes".

- ☐ This act has a significant impact on local government revenues or expenditures for which no specific means been provided in the bill.

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	\$0	\$0	\$0	\$0

**Description of Fiscal Impact:** This legislation would allow counties or municipalities to establish local sales taxes.

### FISCAL ANALYSIS

#### Assumptions:

1. This legislation would give all cities and counties the authority to levy a local option sales tax on gift items, luxury items, or other items or services normally sold to the public, transient visitors, or tourists, and excluding certain goods. The combined city and county tax rates for a location could not exceed 4%. The revenue raised by this legislation would depend on the number of jurisdictions adopting the tax, the tax rates adopted, and the specific goods and services taxed.
2. The proposed legislation does not allow for the taxation of motor fuels, food purchased unprepared or unserved, medicine, medical supplies, or medical services (prescription or over-the-counter), appliances, hardware supplies and tools, goods used in agricultural production, clothing other than souvenirs, legal forms of gambling, goods and services sold for resale, household furnishings, or necessities of life. This fiscal note therefore does not include sales in the agriculture, mining, utilities, construction, manufacturing, wholesale trade, finance and insurance, and health care and social assistance industries and all business to business sales. In addition, the term "hardware supplies and tools" was assumed to include

automotive tires and parts and other parts used in repair services. Sales of legal services for individual clients and newspaper services were assumed to meet the criteria of "other item or service normally sold to the public" and were included in the tax base. The statewide tax base is estimated to be \$9,702.265 million in FY 2008, \$10,061.719 million in FY 2009, \$10,418.797 million in FY 2010, and \$10,792.409 million in FY 2011.

3. Assuming that every locality adopts a 4% tax rate, the estimated state-wide taxes raised would be \$388.091 million in FY 2008, \$402.469 million in FY 2009, \$416.752 million in FY 2010, and \$431.696 million in FY 2011.
4. This legislation also requires that a mill levy that has been reduced because of tax relief resulting from the imposition of a local option sales tax may not be reinstated while the sales tax is in effect, unless the reinstatement is approved in an election. Because this provision is conditional on both the reduction of mill levies, then a subsequent election, this provision is assumed to have no fiscal impact to local governments.
5. This legislation places the responsibility of collection and administration of the taxes at the local level.

**Long-Range Impacts to Local Governments:**

1. This legislation would have significant impacts on local government public finance by allowing sales taxes as an option of raising local revenues.

**Technical Notes:**

1. None.

S.K.  
Sponsor's Initials

1-22-07  
Date

[Signature]  
Budget Director's Initials

1/22/07  
Date